

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7753

BILL NUMBER: SB 488

NOTE PREPARED: Jan 16, 2003

BILL AMENDED:

SUBJECT: Fee for Collections by Attorney General.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill permits the Attorney General to collect reasonable attorney's fees in a collection action and creates the Attorney General Litigation Costs Fund to receive the attorney's fees. The bill establishes procedures for legal actions that involve state liens or other encumbrances on real property.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The procedures established in the bill could reduce the administrative burden of the Attorney General's Office. Any staff time that becomes available as a result of this provision would be used in other related areas.

Background Information: Under current law, when the state has a lien or encumbrance on real property and an action is brought concerning a lien or encumbrance on real property that has greater priority than the state's, the Attorney General's Office is required to respond to the action in order to preserve the state's rights or interest in the lien or encumbrance. This bill will allow the state's interest to be preserved even if the notice of the action is not answered.

Explanation of State Revenues: This bill clarifies the Attorney General's receipt and use of attorney's fees awarded from a proceeding instituted by the Attorney General to collect money owed to the state. Attorney fees awarded in these instance would be deposited into Attorney General Litigation Costs Fund, a nonreverting fund created by the bill. The Fund would be administered by the Attorney General and would be used to help defray the cost of litigation.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General.

Local Agencies Affected:

Information Sources: Jennifer Thuma, Legislative Counsel, Attorney General's Office, 233-6143.

Fiscal Analyst: John Parkey, 317-232-9854